

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on January 29, 2001 at 3:00 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: Rep. Monica Lindeen (D)

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 73, 1/27/2001
Executive Action:

HEARING ON HB 73

SPONSOR: Rep. Roy Brown

PROPONENTS: Geoff Feiss

OPPONENTS: None.

OPENING STATEMENT BY SPONSOR:

Rep. Roy Brown, HD 14, Billings, introduced HB 73 with an explanation of the bill. He stated that this bill was at the request of The Business Labor and Agricultural Interim Committee.

PROPONENTS TESTIMONY:

Geoff Feiss, Montana Telecommunication Association, commented that the Interim Committee came up with a pilot program instead of a broader program that would have required all government agencies to comply. He stated that in committee, a couple of weeks ago, it was diluted to even a smaller pilot program effecting only a few agencies and this reduced the fiscal note to zero. He then pointed out that this evolved from a study of government competition with the private sector and private enterprise based taxes. He stated that this is a better way to determine whether government or private enterprise can better supply a product or service to the government. He stated that this bill will allow them to look at what government services cost compared to private sector cost.

OPPONENTS: None.

INFORMATIONAL WITNESS: None.

QUESTIONS FROM THE COMMITTEE MEMBERS AND RESPONSES:

Rep. Peterson asked why the Department of Education was excluded.

Rep. Brown answered that they asked various departments in Government to come forward with programs that they felt they could easily, and with small amount of cost, come up with full cost accounting method of determining those costs and the Department of Education did not come up with any.

Rep. Peterson stated that he felt that full cost accounting would be able to help the Department of Education.

Rep. Haines asked why this program is not more detailed.

Rep. Brown answered by using an example from the Department of Transportation.

Clayton Schenk made the comment that the committee should take a good look at this bill, especially because of the potential impact with regard to the budget process. He stated that the reason why there is no cost to this is because these are agencies that are doing some sort of cost accounting, but not to its entirety, and they need to start doing it in accordance with this bill.

Rep. McCann asked about the Hail Program and the State Lab Program and how important they are to producers in the state and how full cost accounting would play a role in a critical part of these particular Programs that are crucial to producers in the state.

Rep. Brown answered that he did not personally pick these programs and that the Department of Agriculture went through and picked those particular programs as ones they felt could come up with full cost accounting.

Rep. McCann asked about there being no impact on the fiscal statement.

Rep. Brown stated that when they pared it back to a pilot program that only included certain programs which they felt they could do without major amount of costs, they went from a large fiscal note to a smaller one and they made it so they only have to report once a year instead of quarterly.

Rep. Kasten stated that he had noticed that his concern about indirect costs between agencies and that his question had been answered from the bottom of page two and that he supports full cost accounting and that it could become a good tool as they go through the process.

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Rep. Witt stated his concern about the grain lab and how important it is, how it is a matter of having the state as the middle man, and is part of the State's responsibility.

Rep. Brown commented that he has no problem with striking the grain laboratory part of the bill.

Rep. Witt asked if Rep. Brown was aware, or not, that everyone pays a fee to for the grain laboratory service and that it may not always break even, but it is well worth it.

Rep. Vick stated that full cost accounting should be done with the grain laboratories, but that he didn't expect other people to subsidize the grain labs, and that all it would do is let them know what it costs to run a sample through the grain lab, and that whatever the cost is, the producer should pay it, but that the intent in this case is not to get rid of the grain labs.

Rep. Fisher asked why the University System was left out.

Rep. Brown stated that there are some bills that are tailored for the University System, and that they do have their own programs to look at situations such as competition with private enterprises. He also stated that they didn't come forward and volunteer themselves to be part of the pilot program.

CLOSING BY SPONSOR:

Rep. Brown closed on HB 73.

Members of the Appropriation Committee were informed on the General Fund Status Sheet and how to read and understand it at the end of the hearing on HB 73. **EXHIBIT(aph23a01)**
EXHIBIT(aph23a02)

ADJOURNMENT

Adjournment: 4:40 P.M.

REP. STEVE VICK, Chairman

PAULA BROADHURST, Secretary

SV/PB

EXHIBIT (aph23aad)